

GOP PROPOSAL TO PRIVATIZE SOCIAL SECURITY CUTS BENEFITS BY ALMOST FIFTY PERCENT, HURTING CHILDREN NATIONWIDE

The Republican privatization proposal to cut Social Security benefits by more than 40 percent hurts everyone, including the millions of children who depend on Social Security. This risky privatization plan would endanger retirement benefits for millions of Americans, and the proposed private accounts are unlikely to earn enough to make up for the drastic loss in benefits. Social Security needs a solid source of funding, not a plan that makes the problem worse by draining trillions of dollars from the Trust Fund. This plan leads to future tax increases by forcing America to borrow trillions from foreign countries. Under the Republican proposal, Social Security does not get stronger – it gets weaker.

Almost 5.5 million children benefit from Social Security. Social Security directly provides benefits to more than 3 million children – more than any other Federal program. Another 2.4 million children live in families that receive Social Security. It lifts almost 900,000 children out of poverty each year. According to the most recent data, Social Security makes up about 40 percent of the family income of households that include children who receive Social Security checks. The average monthly benefit for a child receiving Social Security was about \$390.

Social Security provides survivor benefits to nearly 2 million orphans. Social Security helps the families of workers who suffer an early death, by providing monthly survivor benefits to almost 2 million surviving children. Children and the surviving spouse caring for them can receive these benefits until the children reach age 18. 18-year-olds can continue benefits if they are a full-time student in high school, or child who are older if the child becomes disabled before age 22. Survivor benefits cover nearly all orphans. These monthly payments can significantly help with the child's living expenses and savings for college.

Republicans are advocating Social Security privatization that will hurt everyone, including today's beneficiaries. Privatization would take trillions from Social Security, endangering the benefits of current retirees, and orphans receiving survivor benefits. It would also directly cut benefits by more than 40 percent for future generations -- even for widows and orphans.

Risky private accounts won't make up for the 46 percent cut in benefits that Republicans have proposed. It will be difficult for retirees to make up the cut in benefits with their private accounts, as the plan would impose a 70 percent privatization tax on the private account. For beneficiaries with disabilities or survivors, it will be more difficult, because they would not have a full career during which to contribute to an account. Thus, their private account would be very small, providing less income for the children of the disabled and orphans to live on.

The Republican plan requires trillions in borrowing– leading to higher taxes in the future. Borrowing almost \$5 trillion to finance private accounts will further increase our escalating debt and increase taxes. Republicans have added trillions to the national debt, leaving every family with about a \$2,000 debt tax this year to pay the interest on our national debt. This bill will only increase under the Republican plan, forcing our children to pay the price of privatization through increased taxes.

Private accounts will provide little or no benefit to heirs. Private accounts would leave very little to the heirs of workers who die before they retire, so they would not have time to build up a sufficient private account to pass on to their heirs.

